

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:1552
ANSWERED ON:27.02.2003
REVIVAL OF H.M.T. SRINAGAR UNIT
ABDUL RASHID SHAHEEN

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether Srinagar unit of H.M.T. watches has been closed down;
- (b) if so, the reasons therefor; and
- (c) the efforts made by the Government to revive the industry?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BALASAHEB VIKHE PATIL)

(a) No, Sir.

(b) Question does not arise.

(c) Government has been providing financial support to the unit since 1991-92. A revival plan for Srinagar Watch Factory (SWF) was approved by Government in 1998 with an objective of reattainment of the installed capacity of 0.5 million watches per annum in a phased manner with suitable concession/budgetary support of Government of J & K and Central Government. According to the plan a budgetary support of Rs.17.70 crore including Rs.3.35 crore for Renewals & Replacement of plant & machinery and capital expenditure was provided as under:

Description	Total
a. Renewals & Replacement of plant & machinery	2.50
b. Capital Expenditure-Assembly Operations	0.85
c. Additional working capital	7.30
d Cash loss (before interest on borrowings & after considering CC interest.	7.05

Government approved another revival plan for HMT including SWF in 2000. According to the plan SWF was constituted as a separate subsidiary and is to be provided, for a period of three years, annual budgetary support as grant-in-aid to meet actual wages and salary outgo. Based on the revival plan 2000 an amount of Rs.32.81 crore has been provided.